ECONOMIC PHILOSOPHERS SUMMARY

Walden 2020

NED LUDD (LUDDITES): The Luddite movement emerged during the harsh economic climate of industrialization which saw a rise of difficult working conditions in the new textile factories. Luddites objected primarily to the rising popularity of automated textile equipment, which threatened the jobs and livelihoods of skilled weavers by allowing them to be replaced by cheaper and less skilled workers. Luddites also noted the lower quality product produced by power looms. The movement began in Nottingham in 1811 and spread rapidly throughout England before arrests and harsh sentences ended it.

ROBERT OWEN was a Welsh textile manufacturer, philanthropic social reformer, and one of the founders of utopian socialism and the cooperative movement. Owen is best known for his efforts to improve the working conditions of his factory workers and his promotion of experimental socialistic communities. Owen tested his social and economic ideas at his New Lanark textile mill where he won the confidence of his workers, provided housing, childcare and education and continued to have great success due to the improved efficiency at the mill. Owen also adopted new principles to raise the standard of goods his workers produced.

HERBERT SPENCER: Herbert Spencer's idea is called Social Darwinism. Spencer compared society to a living organism and argued that, just as biological organisms evolve through natural selection, society evolves and increases in complexity. Social Darwinists argue that the strong should see their wealth and power increase while the weak should see their wealth and power decrease. Social Darwinists argue that social institutions such as welfare programs allow weak humans to survive and reproduce at levels faster than the strong humans.

JANE ADDAMS as an American activist, reformer, and author. She developed the idea of social work by co-founding Chicago's Hull House. Hull House was built to enact the philosophy of utilitarianism. She believed that with support, the destitute poor could become contributing members of society. Her work focused on women and new immigrants. Hull-House featured multiple programs such as work skills classes, kindergarten classes, boys' and girls' clubs, language classes, reading groups, along with a gymnasium all within a free-speech atmosphere. They were all designed to support the full participation of women and immigrants in civil and economic life. She helped pass the first model tenement (housing) code and the first factory laws.

ADAM SMITH developed the concept of division of labor, and expounded upon how rational self-interest and competition can lead to economic prosperity. Competition in the free market, he argued, would tend to benefit society as a whole by keeping prices low, while still building in an incentive for a wide variety of goods and services to be produced. Smith applauded the specialization of workers on single subtasks which leads to greater productivity than would be achieved by the same number of workers carrying out the original broad task. Smith believed that the “invisible hand” of individual self interest would drive the economy and inspire innovation - so he said the government should leave business alone and unregulated, or “laissez faire.”

KARL MARX believed human societies develop through class struggle; in capitalism, this manifests itself in the conflict between the ruling classes that control the means of production and working classes that sell their labor for wages. Marx predicted that capitalism would produce internal tensions which would lead to its self-destruction. After a revolution against capitalism, Marx believed that workers would take over businesses with a workers government (socialism). This would lead to a classless, communist society constituted by a free association of workers, with no government.

AMARTYA SEN argued that famine occurs not only from a lack of food, but from inequalities built into mechanisms for distributing food. Sen believed that top-down development will always compromise human rights. Sen argued that development should be viewed as an effort to advance the real freedoms that individuals enjoy, rather than simply focusing on economic growth. Sen outlined five specific types of freedoms necessary for a healthy economy: political freedoms, economic facilities (infrastructure), social opportunities, transparency guarantees, and protective security (social safety nets like welfare).